

## Message Text

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41

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 SCI-06 EB-11 TRSE-00 COME-00

ACDA-19 CIAE-00 INR-10 L-03 NSAE-00 NSC-10 RSC-01

SCEM-02 NSF-04 DRC-01 PM-07 SS-20 /134 W

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R 221230Z NOV 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6056

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AEC GERMANTOWN 984

USMISSION IAEA VIENNA

C O N F I D E N T I A L EC BRUSSELS 6778

E.O. 11652: GDS

TAGS: TECH EEC

SUBJECT: EC COMMISSION RECOMMENDATION ON EC ENRICHED URANIUM  
CAPACITY

REF: EC BRUSSELS 6731

1. IN RECENT DAYS, A NUMBER OF EVENTS HAVE BROUGHT THE  
QUESTION OF A EUROPEAN ENRICHMENT CAPABILITY TO THE FORE.  
THE COMMISSION HAS MADE ITS RECOMMENDATION TO THE COUNCIL.  
THE FRENCH GOVERNMENT IS NEARING A DECISION ON EURODIF.  
AN APPROACH HAS BEEN MADE TO AEC ON POSSIBLE COOPERATION  
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IN DIFFUSION TECHNOLOGY. TALKS ARE CONTINUING ON US SALES

(OFFSET OR OTHERWISE) WITH A VARIETY OF POTENTIAL PURCHASERS OF US SERVICES. THE RUSSIANS ARE PURSUING A MORE AGGRESSIVE SALES POLICY OF THEIR OWN.

2. WHAT THE UNITED STATES NEEDS--AND AS FAR AS WE CAN SEE DOES NOT HAVE--IS A STRATEGY TO DEAL WITH ALL THESE ISSUES IN THE CONTEXT OF OUR OVERALL FOREIGN POLICY, OUR TECHNOLOGICAL CAPABILITY, OUR ECONOMIC INTEREST AND OUR ENERGY POLICY.

3. SEVERAL QUESTIONS OCCUR TO US:

- A. IF EUROPE IS GOING TO HAVE AN ENRICHMENT CAPACITY, WOULDN'T IT BE BETTER FOR THE US TO PARTICIPATE WITH ITS TECHNOLOGY AND EQUIPMENT?
- B. IF SO, WOULD WE HAVE THE SAME ATTITUDE TOWARDS EFFORTS TO TIE THAT PRODUCTION TO EUROPEAN REACTORS?
- C. SHOULD THE PRESENT ADMINISTRATION POLICY OF ENRICHMENT TECHNOLOGY EXCHANGES WITH ONLY MULTINATIONAL GROUPS BE REEXAMINED?
- D. SHOULD WE HAVE SIMILAR APPROACHES IN THE CENTRIFUGE AND DIFFUSION FIELD SINCE EUROPE APPEARS WELL ALONG TOWARD COMMERCIAL SCALE COMMITMENTS USING BOTH SYSTEMS?
- E. IS THERE A WAY FOR THE US TO INFLUENCE THE DECISIONS ON TIMING AND CAPACITY OF EUROPEAN PLANTS?
- F. HOW DOES THIS DEVELOPMENT FIT WITH OUR TALKS WITH THE JAPANESE AND THE CANADIANS?
- G. DO AEC CONTRACT DEADLINES AND LONG-TERM COMMITMENTS FIT WITH A NEGOTIATING AND SALES STRATEGY?
- H. WHAT ARE THE CONGRESSIONAL CONCERNS ABOUT TRANSFER OF TECHNOLOGY? ARE THESE WELL-FOUNDED?
- I. DO WE REALLY WANT TO SELL MORE OF OUR CHEAP ENRICHED MATERIAL WHEN WE MAY HAVE ONLY TO BUY IT MORE EXPENSIVELY LATER?
- J. SHOULD THE US ENCOURAGE THE SALE OF NATURAL URANIUM ABROAD OR DISCOURAGE SALES AND IMPORT FOREIGN URANIUM TO CONSERVE THIS POTENTIALLY LIMITED US ENERGY RESOURCE?

4. WHILE THIS LIST IS BY NO MEANS EXHAUSTIVE AND WHILE WE FULLY APPRECIATE THAT MUCH WORK HAS ALREADY BEEN DONE ON PARTS OF THESE QUESTIONS, WE DO NOT GET THE IMPRESSION THAT THERE IS A COHERENT WHOLE POLICY. WITHOUT IT WE APPEAR TO BE CONFIDENTIAL

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TAKING ACTIONS WHICH ARE MUTUALLY CONTRADICTORY. FOR EXAMPLE, IS OUR MOVE OF ENCOURAGING THE EUROPEAN UTILITIES (STATE 228155) DESIGNED TO KILL OFF EURODIF OR TO JOIN IT? ISN'T THIS THE KIND OF MATTER WE OUGHT TO BE DISCUSSING WITH GOVERNMENTS AT THE HIGHEST LEVEL? DOES OUR MOVE TO MAKE THE GERMAN OFFSET PURCHASE MUCH LESS ATTRACTIVE TO THEM FIT WITH A STRATEGY ON MEETING RUSSIAN SALES COMPETITION AND/OR EUROPEAN CONSTRUCTION OF ENRICHMENT CAPACITY?

5. WE ADMIT WE DO NOT HAVE THE ANSWERS. WE ARE HOWEVER  
PREPARED TO OFFER OUR SENIOR AEC REPRESENTATIVE TO JOIN A  
GROUP IN WASHINGTON IN SEARCH OF A POLICY.GREENWALD

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## Message Attributes

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**Disposition Date:** 28 MAY 2004  
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